

This Week in Washington



WITH CONGRESSMAN
JO BONNER

Tax Day Marked By More Attempts to Raise Taxes

Millions of American families scrambled to meet last week's tax-filing deadline lining up at their local post offices for the unwelcome annual ritual of filing income tax returns.

Meanwhile, from the grocery store to the gas pump, we have all been experiencing "sticker shock" as our cost of living continues to soar.

Incredibly, now is the time the Democratic majority in Congress is choosing to push through a budget conference report that will impose the largest tax increase in our nation's history – roughly \$683 billion over five years.

The last thing struggling families need is Washington taking even more money out of their pockets. Many Americans are being forced to make tough decisions on how to carefully budget

their hard-earned money, and they should expect no less from their leaders in Washington.

Instead, the House majority's plan is to spend more and tax even more. Under the Democrat tax plan, 116 million taxpayers would face an average tax hike of \$1,833.

Working families would be hit especially hard. For example, a family of four with two children that currently earns \$50,000 annually would have to pay an additional \$2,155 in taxes under the Democrat plan. That would amount to a 191% increase in taxes.

The Democrat proposal would reinstate the marriage penalty, which would mean that some married couples will once again pay more in taxes than if they had filed separately as singles.

The Democrat tax plan would also cut the child tax credit in half from \$1,000 to \$500, reduce tax incentives for small businesses, and resurrect the death tax, which penalizes small businesses and family farmers for passing on the fruits of their hard work.

With so many families having to tighten their belts to make ends meet, it is wrong to force them to pay even more taxes.

In fact, this Wednesday, April 23, the 113th day of 2008, marks the day Americans will have earned enough money to pay this year's tax obligations at the federal, state, and local levels.

According to the Tax Foundation, "Americans will work longer to pay for government (113 days) than they will for food, clothing and housing combined (108 days)."

As the cost of living and the rate of inflation continue to rise, it's critical for American families to keep more of their hard-earned paychecks. It's just common sense.

Rebate Check Scam Alert

Now that the tax-filing deadline has passed, American families will soon start receiving rebate checks as part of an effort by Congress to help stimulate our national economy.

Unfortunately, some have seized on this as an opportunity to lure unsuspecting taxpayers into revealing personal and financial information, such as Social Security, bank account or credit card numbers, to commit identity theft.

The IRS has warned taxpayers to beware of several current e-mail and telephone scams that use the IRS name as a lure.

In the phone call scam, the victim receives a phone call from someone identifying himself as an IRS employee asking for bank account information for the direct deposit of the rebate. The IRS does NOT gather this sensitive information by phone – the IRS already gathered it when you filed your taxes.

Email scams have also been reported to the IRS. These emails tell the recipient that he or she is eligible for a tax refund for a specific amount and instruct the recipient to click on a link in the e-mail to access a refund claim form. The recipient is then asked to provide personal information.

Once again, the IRS does not send unsolicited e-mail about tax account matters to individuals or businesses.

If you believe you may be a victim of one of these scams, the IRS encourages you to report the scam to them. The IRS has set up a mailbox, phishing@irs.gov, for you to forward suspicious emails. You can also use this email address to notify the IRS of suspicious phone calls you may have received.

Identity thieves can use your personal information to open credit card accounts in your name, apply for utilities in your name, borrow money in your name, or even make major purchases in your name.

When a person's identity is stolen, their reputation can be destroyed, their sense of security shattered, and their life savings completely wiped out.

It is a good rule of thumb not to give out personal information unless you are the one who as initiated the contact. If you need to access the IRS website, you should type www.irs.gov into your internet address window rather than clicking on a link in an email or attachment.

As a reminder, the IRS will begin making payments beginning May 2. The two digits of your Social Security number and whether you opted for direct deposit into your financial account or a

paper check will determine when you receive your payment.

Those who use direct deposit will be among the first to receive payments, and paper checks will go into the mail starting May 16.

My staff and I work for you. If we can ever be of service, do not hesitate to call my office toll free at 1-800-288-8721.

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For release the week of Monday, April 21, 2008. For more information please contact Mike Lewis at (202)225-4931.